

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: SB 235

NOTE PREPARED: Dec 28, 2004

BILL AMENDED:

SUBJECT: Licensure of Abortion Facilities.

FIRST AUTHOR: Sen. Drozda

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the State Department of Health to establish procedures for the inspection and licensure of a medical facility that performs: (1) more than four first-trimester abortions in a calendar month; or (2) at least one second-trimester abortion. The bill makes it a Class A misdemeanor to operate or advertise the operation of an unlicensed medical facility that provides abortions.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: There are 15 clinics and hospitals that have reported terminations of pregnancies to the Indiana State Department of Health (ISDH) during CY 2004 that would be required to be licensed by the ISDH to perform abortions. The ISDH has reported that it can adopt the necessary rules for licensing procedures within the existing level of available resources. However, the ISDH reports that the survey work necessary for this new class of license will require additional state funding in a range of \$25,700 to \$49,800 in FY 2006 and \$31,400 to \$63,600 in FY 2007. The ultimate cost of this bill would be dependent upon administrative actions and licensure fees adopted in the final rules.

The cost estimate is based upon the need for one additional licensure surveyor; part-time or full-time depending upon the final form of the rules and the number of licensure surveys and complaint surveys that may be required to be performed. There is no similar federal certification classification, consequently, the state will be responsible for 100% of the expense.

Appropriation Background: The ISDH administrative appropriations were made from the dedicated Tobacco Master Settlement Agreement Fund for FY 2004 and FY 2005. Revenues from fees and penalties collected by

the Department, are deposited in the General Fund, with augmentation allowed in amounts not to exceed the additional revenue from fees or penalties received after July 1, 2003. The funding source of the FY 2006 and FY 2007 ISDH administrative appropriations will be determined by the General Assembly.

Explanation of State Revenues: The bill allows for an annual licensing and inspection fee that is not specified. The maximum fiscal impact on licensing revenue would be an annual increase dependent upon the level of the fee established and the number of facilities that meet the definition for licensure. The Outpatient Ambulatory Surgery Center licensure fees are shown below as a point of reference for fees recently established by the Department.

Total Annual Procedures	Fee
0 – 799	\$500
800 – 3,499	\$1,000
3,500 – 6,999	\$2,000
7,000 and above	\$3,000

The bill creates a new Class A misdemeanor for operating or advertising the operation of an unlicensed medical facility that provides abortions. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: The Indiana State Department of Health; Office of the Attorney General.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Zach Cattell, Legislative Liaison, Indiana State Department of Health, 317-233-2170; Terry Whitson, Assistant Commissioner for Regulatory Services, 317-233-7022; *Induced Termination of*

Pregnancy Reports, Indiana State Department of Health at: <http://www.in.gov/isdh/dataandstats/itp/index.htm>;
414 IAC 1-1-2 for Outpatient Ambulatory Surgery fees.

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